

February 10, 2010

ITEM NO. B1

**AUTHORIZATION TO SUBMIT FY2010 PERFORMANCE FUNDING SYSTEM
CALCULATION TO THE DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT AND APPROVAL OF THE FY2010 PERFORMANCE FUNDING
SYSTEM CALCULATION**

To the Honorable Board of Commissioners

RECOMMENDATION

It is recommended that the Board of Commissioners approve and adopt the FY2010 Performance Funding System Calculation and authorize submittal to the U.S. Department of Housing and Urban Development (HUD).

FUNDING
N/A

EXPLANATION

HUD uses the Performance Funding System (PFS) to determine a public housing authority's eligibility for an operating subsidy, in accordance with Section 9(a) of the U.S. Housing Act of 1937, 42 U.S.C. 1437g. The PFS is applicable to all public housing authority owned units under an Annual Contributions Contract. The CHA is required to submit a PFS Calculation detailing the total operating subsidy for fiscal year 2010. Based on the formula established by HUD as a part of the Amended and Restated Moving-to-Work Demonstration Agreement ("Amended and Restated MTW Agreement"), Attachment A, the CHA should request the operating subsidy in the amount of \$174,119,556. This figure was determined by using the formula described in Attachment A of the Amended and Restated MTW Agreement.

For fiscal years 2000-2017, CHA must prepare its request for operating funds by making adjustments to the base year subsidy eligibility. Attachment A of the Amended and Restated MTW Agreement states that CHA's base year is CHA's FY1999 subsidy eligibility level of \$176,451,193. The formula includes making adjustments to the base year amount by using a Simplified Delta of .005, the PFS annual inflation factor for Chicago (which is 2.8% for FY2010), Total Unit Months available for the reporting period July 1, 2008 through June 30, 2009 taking into account both new units added and units removed from its inventory during that time, and congressional appropriations (i.e., pro-ratio of subsidy when less than 100% funding of operating subsidy).

Unlike the procedure used in prior years, HUD has requested each Authority to submit its PFS Schedule prior to the release of final pro-ratios. This is being done in order to determine the overall need of Public Housing Authorities. Upon release of the final pro-ratio amount, the CHA's FY2010 Comprehensive Budget will be adjusted accordingly.

RESOLUTION NO. 2010-CHA-14

WHEREAS, The Board of Commissioners have reviewed the Board Letter dated February 10, 2010, requesting authorization to submit FY2010 Performance Funding System Calculation to the Department of Housing and Urban Development and approval of the FY2010 Performance Funding System Performance Calculation.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners approves the FY2010 Performance Funding System Calculation and authorizes the Chief Executive Officer or his designee to execute and submit the Performance Funding System Calculation and all necessary related documents to the U.S. Department of Housing and Urban Development.

